

GENERAL ASSEMBLY OF NORTH CAROLINA  
1989 SESSION

CHAPTER 164  
SENATE BILL 665

AN ACT TO MAKE TECHNICAL CHANGES RELATING TO JOINT, TRUST,  
AND PERSONAL AGENCY ACCOUNTS AT FINANCIAL INSTITUTIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 54B-129(a), as amended by Section 5 of Chapter 1078 of the 1987 Session Laws, reads as rewritten:

"(a) Any two or more persons may open or hold a withdrawable account or accounts. The withdrawable account and any balance thereof shall be held by them as joint tenants, with or without right of survivorship, as the contract shall provide; the account may also provide, or may be held pursuant to G.S. 41-2.1 and have incidents set forth in that section, provided, however, if the account is held pursuant to G.S. 41-2.1 the contract shall set forth that fact as well. fact.—Unless the persons establishing the account have ~~directed~~ agreed with the association that withdrawals require more than one signature, payment by the association to, or on the order of, any persons holding an account authorized by this section shall be a total discharge of the association's obligation as to the amount so paid. A pledge of such account by any holder or holders shall, unless otherwise specifically agreed upon, be a valid pledge and transfer of such account, or of the amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any part of the account. Persons establishing an account under this section shall sign a statement showing their decision in regard to the right of survivorship in the account, and containing the following language in a conspicuous manner:

'SAVINGS AND LOAN (or name of institution)  
JOINT ACCOUNT  
G.S. 54B-129

We understand that by establishing a joint account under the provisions of North Carolina General Statute 54B-129 that:

1. The savings and loan association (or name of institution) may pay the money in the account to, or on the order of, any person named in the account unless we have ~~directed~~ agreed with the association that withdrawals require more than one signature; and
2. If we elect to create the right of survivorship in the account, that upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not be inherited by the

heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

We \_\_\_\_\_ [write in "do" or "do not"] elect to create the right of survivorship in this account.

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This section shall not be deemed exclusive. Deposit accounts not conforming to this section shall be governed by other applicable provisions of the General Statutes or the common law as appropriate."

Sec. 2. G.S. 53-146.1(a), as amended by Section 1 of Chapter 1078 of the 1987 Session Laws, reads as rewritten:

"(a) Any two or more persons may establish a deposit account or accounts by written contract. The deposit account and any balance thereof shall be held for them as joint tenants, with or without right of survivorship, as the contract shall provide; the account may also provide, or may be held pursuant to G.S. 41-2.1 and have the incidents set forth in that section, provided, however, if the account is held pursuant to G.S. 41-2.1 the contract shall set forth that ~~fact.~~ fact as well. Unless the persons establishing the account have ~~directed~~ agreed with the bank that withdrawals require more than one signature, payment by the bank to, or on the order of, any persons designated in the contract authorized by this section shall be a total discharge of the bank's obligation as to the amount so paid. A pledge of such account by any owner or owners, unless otherwise specifically agreed upon, shall be a valid pledge and transfer of such account, or of the amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any part of the account. Persons establishing an account under this section shall sign a statement showing their decision in regard to the right of survivorship in the account, and containing the following language in a conspicuous manner:

'BANK (or name of institution) JOINT ACCOUNT  
G.S. 53-146.1

We understand that by establishing a joint account under the provisions of North Carolina General Statute 53-146.1 that:

1. The bank (or name of institution) may pay the money in the account to, or on the order of, any person named in the account unless we have ~~directed~~ agreed with the bank that withdrawals require more than one signature; and
2. If we elect to create the right of survivorship in the account, that upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not be inherited by the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

We \_\_\_\_\_ (write in "do" or "do not") elect to create the right of survivorship in this account.

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This section shall not be deemed exclusive. Deposit accounts not conforming to this section shall be governed by other common law provisions of the General Statutes or the common law as appropriate."

Sec. 3. G.S. 54-109.58(a), as amended by Section 3 of Chapter 1078 of the 1987 Session Laws, reads as rewritten:

"(a) Shares may be issued to and deposits received from any two or more persons opening or holding an account or accounts, but no joint tenant, unless a member in his own right, shall be permitted to vote, obtain loans, or hold office or be required to pay an entrance or membership fee. The account and any balance thereof shall be held by them as joint tenants, with or without right of survivorship, as the contract shall provide; the account may also provide, or may be held pursuant to G.S. 41-2.1 and have the incidents set forth in that section, provided, however, if the account is held pursuant to G.S. 41-2.1 the contract shall set forth that ~~fact.~~ fact as well. Unless the persons establishing the account have ~~directed~~ agreed with the credit union that withdrawals require more than one signature, payment by the credit union to, or on the order of, any persons holding an account authorized by this section shall be a total discharge of the credit union's obligations as to the amount so paid. A pledge of such account by any holder or holders shall, unless otherwise specifically agreed upon, be a valid pledge and transfer of such account, or of the amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any part of the account. Persons establishing an account under this section shall sign a statement showing their decision in regard to the right of survivorship in the account, and containing the following language in a conspicuous manner:

'CREDIT UNION (or name of institution) JOINT ACCOUNT  
G.S. 54-109.58

We understand that by establishing a joint account under the provisions of North Carolina General Statute 54-109.58 that:

1. The credit union (or name of institution) may pay the money in the account to, or on the order of, any person named in the account unless we have ~~directed~~ agreed with the credit union that withdrawals require more than one signature; and
2. If we elect to create the right of survivorship in the account, that upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not be inherited by the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

We \_\_\_\_\_ [write in "do" or "do not"] elect to create the right of survivorship in this account.

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This section shall not be deemed exclusive. Deposit accounts, not conforming to this section shall be governed by other applicable provisions of the General Statutes or the common law as appropriate."

Sec. 4. G.S. 54B-130(a), as amended by Section 6 of Chapter 1078 of the 1987 Session Laws, reads as rewritten:

"(a) If any person holding or opening a withdrawable account shall execute a written agreement with the association containing a statement that it is executed pursuant to the provisions of this subsection and providing for the account to be held in the name of such person as trustee for not more than one person designated as beneficiary, the account and any balance thereof shall be held as a trust account and:

- (1) The trustee during the trustee's lifetime may change the designated beneficiary by a written direction to the association; and
- (2) The trustee may withdraw or receive payment in cash or check payable to the trustee's personal order, and such payment or withdrawal shall constitute a revocation of the agreement as to the amount withdrawn; and
- (3) Upon the death of the trustee, the person designated as beneficiary, if such person is living at the death of the trustee, shall be the holder of the account, and payment by the association to the holder shall be a total discharge of the association's obligation as to the amount paid.

The person establishing an account under this subsection shall sign a statement containing the following language in a conspicuous manner:

'SAVINGS AND LOAN (or name of institution)  
TRUST ACCOUNT  
G.S. 54B-130(a)

I understand that by establishing a trust account under the provisions of North Carolina General Statute 54B-130(a) that:

1. During my lifetime I may withdraw the money in the account; and
2. By written direction to the savings and loan association (or name of institution) I may change the beneficiary; and
3. Upon my death the money remaining in the account will belong to the beneficiary, and the money will not be inherited by my heirs or be controlled by my will.

This section shall not be deemed exclusive. Deposit accounts not conforming to this section shall be governed by other applicable provisions of the General Statutes or the common law, as appropriate."

Sec. 5. G.S. 53-146.2(a) as amended by Section 1 of Chapter 1078 of the 1987 Session Laws, reads as rewritten:

"(a) If any person establishing a deposit account shall execute a written agreement with the bank containing a statement that it is executed pursuant to the provisions of this subsection and providing for the account to be held in the name of such person as trustee for not more than one person designated as beneficiary, the account and any balance thereof shall be held as a trust account, and:

- (1) The trustee during the trustee's lifetime may change the designated beneficiary by a written direction to the bank; and
- (2) The trustee may withdraw or receive payment in cash or check payable to the trustee's personal order, and such payment or withdrawal shall constitute a revocation of the agreement as to the amount withdrawn; and
- (3) Upon the death of the trustee, the person designated as beneficiary, if such person is living at the death of the trustee, shall be the owner of the account, and payment by the bank to such owner shall be a total discharge of the bank's obligation as to the amount paid.

The person establishing an account under this subsection shall sign a statement containing the following language in a conspicuous manner:

'BANK (or name of institution) TRUST ACCOUNT  
G.S. 53-146.2

I understand that by establishing a trust account under the provisions of North Carolina General Statute 53-146.2 that:

1. During my lifetime I may withdraw the money in the account; and
2. By written direction to the bank (or name of institution) I may change the beneficiary; and
3. Upon my death the money remaining in the account will belong to the beneficiary and the money will not be inherited by my heirs or be controlled by will.

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This section shall not be deemed exclusive. Deposit accounts not conforming to this section shall be governed by other applicable provisions of the General Statutes or the common law, as appropriate."

Sec. 6. G.S. 54-109.57(a), as amended by Section 2 of Chapter 1078 of the 1987 Session Laws, reads as rewritten:

"(a) Shares may be issued to and deposits received from any person holding or opening an account who shall execute a written agreement with the credit union containing a statement that it is executed pursuant to the provisions of this subsection and providing for the account to be held in the name of such person as trustee for not more than one person designated as beneficiary, the account and any balance thereof shall be held as a trust account, and:

- (1) The trustee during the trustee's lifetime may change the designated beneficiary by a written direction to the credit union; and
- (2) The trustee may withdraw or receive payment in cash or check payable to the trustee's personal order, and such payment or withdrawal shall constitute a revocation of the agreement as to the amount withdrawn; and
- (3) Upon the death of the trustee, the person designated as beneficiary, if such person is living at the death of the trustee, shall be the holder of the account, and payment by the credit union to the holder shall be a total discharge of the credit union's obligation as to the amount paid.

The person establishing an account under this subsection shall sign a statement containing the following language in a conspicuous manner:

'CREDIT UNION (or name of institution) TRUST ACCOUNT  
G.S. 54-109.57

I understand that by establishing a trust account under the provisions of North Carolina General Statute 54-109.57 that:

1. During my lifetime I may withdraw the money in the account; and
2. By written direction to the credit union (or name of institution) I may change the beneficiary; and
3. Upon my death the money remaining in the account will belong to the beneficiary, and the money will not be inherited by my heirs or be controlled by my will.

This section shall not be deemed exclusive. Deposit accounts not conforming to this section shall be governed by other applicable provisions of the General Statutes or the common law, as appropriate."

Sec. 7. G.S. 54B-139(a), as amended by Section 7 of Chapter 1078 of the 1987 Session Laws, reads as rewritten:

"(a) A person may open a personal agency account by written contract containing a statement that it is executed pursuant to the provisions of this section. A personal agency account may be a checking account, savings account, time deposit, or any other type of withdrawable account or certificate. The written contract shall name an agent who shall have authority to act on behalf of the depositor in regard to the account as set out in this subsection. The agent shall have the authority to:

- (1) Make, sign or execute checks drawn on the ~~account;~~ account or otherwise make withdrawals from the account;
- (2) Endorse checks made payable to the principal for deposit only into the account; and
- (3) Deposit cash or negotiable instruments, including instruments endorsed by the principal, into the account.

A person establishing an account under this section shall sign a statement containing the following language in a conspicuous manner:

'SAVINGS AND LOAN (or name of institution)  
PERSONAL AGENCY ACCOUNT  
G.S. 54B-139

I understand that by establishing a personal agency account under the provisions of North Carolina General Statute 54B-139 that the agent named in the account may:

1. Sign checks drawn on the account; and
2. Make deposits into the account.

I also understand that upon my death the money remaining in the account will be controlled by my will or inherited by my heirs.

Sec. 8. G.S. 53-146.3(a), as amended by Section 1 of Chapter 1078 of the 1987 Session Laws, reads as rewritten:

"(a) Any person may establish a personal agency account by written contract containing a statement that it is executed pursuant to the provisions of this section. A personal agency account may be a checking account, savings account, time deposit, or any other type of withdrawable account or certificate. The written contract shall name an agent who shall have authority to act on behalf of the depositor in regard to the account in the actions set out in this subsection. The agent shall have the authority to:

- (1) Make, sign or execute checks drawn on the ~~account;~~ account or otherwise make withdrawals from the account;
- (2) Endorse checks made payable to the principal for deposit only into the account; and
- (3) Deposit cash or negotiable instruments, including instruments endorsed by the principal, into the account.

A person establishing an account under this section shall sign a statement containing the following language in a conspicuous manner:

'BANK (or name of institution) PERSONAL AGENCY ACCOUNT  
G.S. 53-146.3

I understand that by establishing a personal agency account under the provisions of North Carolina General Statute 53-146.3 that the agent named in the account may:

1. Sign checks drawn on the account; and
2. Make deposits into the account.

I also understand that upon my death the money remaining in the account will be controlled by my will or inherited by my heirs.

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Sec. 9. G.S. 54-109.63(a), as amended by Section 4 of Chapter 1078 of the 1987 Session Laws, reads as rewritten:

"(a) A person may open a personal agency account by written contract containing a statement that it is executed pursuant to the provisions of this section. A personal agency account may be a checking account, savings account, time deposit, or any other type of withdrawable account or certificate. The written contract shall name an agent who shall have authority to act on behalf of the depositor in regard to the account as set out in this subsection. The agent shall have the authority to:

- (1) Make, sign or execute checks drawn on the ~~account;~~ account or otherwise make withdrawals from the account;
- (2) Endorse checks made payable to the principal for deposit only into the account; and
- (3) Deposit cash or negotiable instruments, including instruments endorsed by the principal, into the account.

A person establishing an account under this section shall sign a statement containing the following language in a conspicuous manner:

'CREDIT UNION (or name of institution) PERSONAL AGENCY ACCOUNT  
G.S. 54-109.63

I understand that by establishing a personal agency account under the provisions of North Carolina General Statute 54-109.63 that the agent named in the account may:

1. Sign checks drawn on the account; and
2. Make deposits into the account.

I also understand that upon my death the money remaining in the account will be controlled by my will or inherited by my heirs.

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Sec. 10. This act shall become effective July 1, 1989.

In the General Assembly read three times and ratified this the 30th day of May, 1989.